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RECORDATION NO. 23036 FILED

AUG - 2 '00 : 1-29 PM

SURFACE TRANSPORTATION BOARD

OF COUNSEL
URBAN A. LESTER

August 2, 2000

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are three (3) copies of a Memorandum of Lease Agreement, dated July 21, 2000, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Mitsui & Co. (U.S.A.), Inc.
200 Park Avenue
New York, NY 10166

Lessee: MRC Rail Services, LLC
One California Street
Suite 1500
San Francisco, CA 94111

A description of the railroad equipment covered by the enclosed documents is:

225 railcars CSXT 496725 - CSXT 496949

Mr. Vernon A. Williams
August 2, 2000
Page Two

A short summary of the document to appear in the index follows:

Lease between Mitsui & Co. (U.S.A.), Inc., Lessor, and MRC Rail Services, LLC,
covering 225 railcars CSXT 496725 - CSXT 496949.

Also enclosed is a check in the amount of \$26.00 payable to the order of the
Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read "Alvord", with a stylized flourish at the end.

Robert W. Alvord

RWA/ar
Enclosures

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SURFACE TRANSPORTATION BOARD

MEMORANDUM OF LEASE AGREEMENT

BETWEEN

mitsui & CO. (U.S.A.), INC. ("LESSOR")

AND

MRC RAIL SERVICES, LLC ("LESSEE")

July 21, 2000

Memorandum of a Lease Agreement made and entered into as of **July 21, 2000** by and between Mitsui & Co. (U.S.A.), Inc., a New York corporation, ("Lessor") and MRC Rail Services, LLC, a Delaware limited liability company ("Lessee").

WITNESSETH:

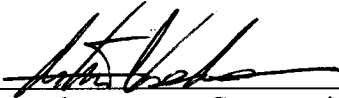
1. Lessor has agreed to furnish to Lessee, and Lessee has agreed to lease from Lessor the following railroad cars bearing marks and numbers as follows:

Description	Quantity	Numbers
42' 110 ton capacity with single insulated cover, Steel Coil Cars	225	CSXT 496725 - 496949

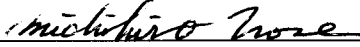
2. The Lease Agreement shall be effective as of the date first set forth hereinabove and shall be subject to the lease term, as described in the Equipment Lease Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed and sealed by their respective corporate officers as of the date and year first above written.

Lessor: Mitsui & Co. (U.S.A.), Inc.

By: 
Title: General Manager, Communications,
Transportation & Industrial Project Dept.
Date: July 28, 2000

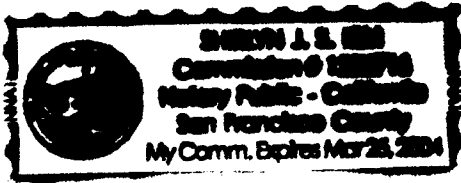
Lessee: MRC Rail Services, LLC

By: 
Title: President
Date: July 20, 2000

STATE OF CALIFORNIA

CITY AND COUNTY OF SAN FRANCISCO

On this 20th day of July, 2000, before me personally appeared Michihiro Nose, to me personally known, who being by me duly sworn, says that he is the President of MRC Rail Services, LLC that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.



[Signature]
NOTARY PUBLIC

My commission expires: 3/25/04

STATE OF

COUNTY OF

On this 28th day of July, 2000, before me personally appeared Tetsu Ikeda, to me personally known, who being by me duly sworn, says that he is the General Manager, Communications, Transportation & Industrial Project Department of Mitsui & Co. (U.S.A.), Inc. that the foregoing instrument was signed on behalf of said corporation, and he acknowledged that the execution of the said instrument was his free act and deed.

[Signature: Stephen M. Goldstein]
NOTARY PUBLIC

My commission expires:

STEPHEN M. GOLDSTEIN
NOTARY PUBLIC, State of New York
No. 4916555
Qualified in New York County
Term Expires December 2001